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Voluntary _ Public

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Korea's Voluntary TRQ for the 2nd Half of 2014

Report Categories:

Agricultural Situation

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Report Highlights:

On June 25th, 2014, the Ministry of Strategy and Finance (MOSF) announced modifications to tariff-rate quotas (TRQ) on several agricultural products for the second half of 2014. One modification is a delisting of the TRQs for malt for beer brewing, malting barley, processed butter, wheat for milling and corn for processing for the second half of 2014 beginning July 1, 2014. The delisting was put in place following a decrease in the import price for those commodities. Meanwhile, the MOSF included rapeseed, which will allow Korean farmers to utilize rapeseed for forage feed in local livestock farms. MOSF also extended the TRQ application period for sugar and bovine hides and skins through December 31, 2014. Please refer to GAIN report KS1411 for further information on TRQ administration for the first half of the year.

General Information:

On June 25th, 2014, the Ministry of Strategy and Finance (MOSF) announced modifications to tariff-rate quotas (TRQ) on several agricultural products for the second half of 2014. One modification is a delisting of the TRQs for malt for beer brewing, malting barley, processed butter, wheat for milling and corn for processing for the second half of 2014 beginning July 1, 2014. The delisting was put in place following a decrease in the import price for those commodities. Meanwhile, the MOSF included rapeseed, which will allow Korean farmers to utilize rapeseed for forage feed in local livestock farms. MOSF also extended the TRQ application period for sugar and bovine hides and skins through December 31, 2014. Please refer to GAIN report KS1411 for further information on TRQ administration for the first half of the year.

Sugar & Hides and Skins of bovine

The TRQ implementation period for the categories "other sugar" and "hides and skins of bovine" will be extended through December 31, 2014. The TRQ extension is being implemented to promote domestic competition since price of imports has increased.

The Schedule and expected effect

The TRQ regulation proposal was announced on June 25th and went into effect on July 1st. It will lower the tariff rate, in order to reduce farming costs for livestock farms, stabilize price levels of related items and contribute to bringing supply and demand into balance.

Table I. Extended Tariff Rate Quota (TRQ) Periods (July 1, 2014 – December 31, 2014)

HS		Tariff Rate (%)		2014 Quota
No.	Commodity	Base Tariff Rate	Quota Tariff Rate	1/ (MT)
1701	Other sugar, containing added flavoring or coloring matter 1701 91	30	5	50,000
1701	Other sugar 1701 99	30	5	
4104	Hides and skins of bovine, tanned or crust 4104 11 4104 19 4104 41 4104 49	3	1	Unlimited

Source: Ministry of Strategy and Finance (MOSF), Korea Trade Information Service (KOTIS)

Note: 1/ In-Quota Volume applies for July 1 – December 31, 2014

Table II. New Tariff Rate Quota (TRQ) Commodity for the Second Half of 2014

HS		Tariff Rate (%)		2014 Quota
No.	Commodity	Base Tariff	2 nd Half of	2/
INO.		Rate	2014	(MT)
1205	Rape or colza seeds, whether or not broken 1205 10 1205 90	10	5	50,000

Source: Ministry of Strategy and Finance (MOSF), Korea Trade Information Service (KOTIS)

Note: 2/ In-Quota Volume applies for July 1 – December 31, 2014

Table III. Delisted Tariff Rate Quota (TRQ) Commodities for the Second Half of 2014

HS	Commodity	Tariff Rate (%)		2014 Quota
No.		Base Tariff Rate	Quota Tariff Rate	1/ (MT)
1001	Wheat and meslin, other for milling 1001 99	1.8	1	800,000
1003	Malting barley, other 1003 90	30	25	30,000
1005	Maize for popcorn & processing 1005 90	3	1	1,250,000 2/
1107	Malt for beer brewing 1107 10 1107 20	30 / 27	25	150,000
2106	Other preparations with a basis of butter, of a butter content, by weight, exceeding 70% 2106 90	8	4	10,000

Source: Ministry of Strategy and Finance (MOSF), Korea Trade Information Service (KOTIS)

^{1/} In-Quota Volume applies for January 1 – June 30, 2014

^{2/} Consist of popcorn and other processing